BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

Opinions of the Courts Below.

The opinion of the United States District Court for the District of Delaware is reported in 33 F. Supp. 324 and at R. 551. The opinion of the Circuit Court of Appeals for the Third Circuit appears at page 621 of the Record but is not yet reported except in 50 U. S. P. Q. 158.

Jurisdiction.

The jurisdiction of this Court is invoked under Section 240(a) of the Judicial Code as amended by the Act of February 13, 1925, c. 229 (28 U. S. Code, Sec. 347). The decree of the Circuit Court of Appeals for the Third Circuit which petitioners seek to have reviewed was entered June 30, 1941 (R. 629), rehearing denied August 26, 1941 (R. 635).

Statement of the Case.

The essential facts of the case are stated in the accompanying petition for a writ of certiorari.

Specification of Errors.

The errors which petitioners will urge if the writ of certiorari is issued, are that the Circuit Court of Appeals for the Third Circuit erred:

1. In ignoring and sanctioning the act of the District Court in ignoring all evidence that respondent's

Schafmeister applications are inoperative, false and misleading in their disclosures, contrary to the Patent Statutes.

2. In holding that respondent's Schafmeister applications in Germany and the United States are constructive reductions to practice.

3. In failing to hold that petitioners first filed an allowable application for the subject matter of the interference and first reduced it to practice.

Summary of Argument.

The points of argument will follow the reasons relied upon for allowance of the writ of certiorari.

ARGUMENT.

I.

There is conflict between the interpretation placed upon the statutory requirement that a patent application must be "in such full, clear, concise, and exact terms as to enable any person skilled in the art * * * to make, construct, compound, and use the same" (R. S., 4888, U. S. C., Title 35, §33) by the Circuit Court of Appeals in sustaining the Schafmeister application as a constructive reduction to practice, and the interpretation placed upon that requirement by this Court and by the Circuit Courts of Appeal for the Second and Eighth Circuits, the Court of Appeals of the District of Columbia and the Court of Customs and Patent Appeals.

The decision of the Third Circuit courts herein encourages the filing of speculative patent applications and the issuance of invalid patents at the expense of genuine in-

ventors and the public generally. It has accomplished that result in the present case by an interpretation of the patent laws in conflict with the practice of this and other Courts and in violation of the very intention of the American patent system.

The purpose of the law is to reward an actual inventor and to obtain from him, in return, a truthful and complete "written description of the same, and of the manner and process of making, constructing, compounding, and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected, to make, construct, compound, and use the same;" (R. S., 4888). Congress indicated expressly its intention to prevent false applications when it provided further:

> "When the invention or discovery is a composition of matter, the applicant, if required by the Commissioner, shall furnish specimens of ingredients and of the composition, sufficient in quantity for the purpose of experiment" (R. S., 4890, U. S. C., Title 35, §34).

The Commissioner required no such specimens from Krupp or respondent in connection with the Schafmeister application. He accepted on their face the statements in that application regarding "exhaustive experiments", numerous metallic elements useful for the purpose and completeness of success in all cases.

The situation today in this and many other cases makes it absurd to presume that an examiner has determined the operativeness of the complex patents which he issues. Such a presumption might have been reasonable in the early days of the patent system when most patents related to mechanical devices and when the Patent Office actually required models under R. S., 4891.

The burden which formerly rested on the Patent Office to determine operativeness is now practically transferred

in many cases to private litigants. Such litigants must find the door open to introduce evidence on the subject, if the United States is not again to be unjustly burdened as it was by the delusive German dye patents seized in the last World War.

The contrary idea that a patent application is sacrosanct as a proof of invention grows in part out of the excessive presumption of omniscience by the patent examiners and in part out of the phrase "constructive reduction to practice" used to characterize patent applications. The very phrase "constructive reduction to practice" was not created by statute nor was it a creature of this Court. It was merely the convenient phrase adopted by the Patent Office itself to indicate a legal fiction by which an application *if it was then allowable, i. e., if it sufficiently and exactly disclosed the invention,* gave the same rights to the inventor as if he had actually reduced his invention to practice on that day. The interpretation of the Third Circuit ignores the italicized limitation, and thereby departs from proper practice.

This Court and other courts prevailingly have received and weighed evidence of operativeness either in suits like the present one under R. S., 4915, or in suits for infringement. In *The Telephone Cases,* 126 U. S. 1, priority of invention between Bell and an adverse inventor was in issue in a suit for infringement of patent. The words "constructive reduction to practice" do not appear to have been used there by this Court, but in effect the Court decided that the Bell application was a satisfactory substitute for an actual reduction to practice and entitled him to the filing date for his invention. In doing so, neither this Court nor the lower courts were content to accept the application as sufficient for that purpose without examining whether it would operate. Both parties were allowed to introduce extensive evidence in the form of tests and testimony upon that point, and the result was

to show that the application described with "admirable clearness" a device which "will operate successfully." On this subject the Court said:

> "It is quite true that when Bell applied for his patent he had never actually transmitted telegraphically spoken words so that they could be distinctly heard and understood at the receiving end of his line, but in his specification he did describe accurately and with admirable clearness his process, that is to say, the exact electrical condition that must be created to accomplish his purpose, and he also described, with sufficient precision to enable one of ordinary skill in such matters to make it, a form of apparatus which, if used in the way pointed out, would produce the required effect, receive the words, and carry them to and deliver them at the appointed place. The particular instrument which he had and which he used in his experiments did not, under the circumstances in which it was tried, reproduce the words spoken, so that they could be clearly understood, but the proof is abundant and of the most convincing character, that other instruments, carefully constructed and made exactly in accordance with the specification, without any additions whatever, have operated and will operate successfully. A good mechanic of proper skill in matters of the kind can take the patent and, by following the specification strictly, can, without more, construct an apparatus which, when used in the way pointed out, will do all that it is claimed the method or process will do."

The Telephone Cases, 126 U. S. 1, 535-6.

In *Coupe* v. *Royer*, 155 U. S. 565, the trial practice was stated at page 569 as follows:

> "The defendants gave evidence tending to show that a machine made in conformity with plaintiffs' specifi-

> cations and claims would not operate as a successful machine, to which the plaintiffs replied by evidence tending to show that a machine made after the description contained in the patent would and did operate successfully."

The trial judge referred this issue to the jury and this Court held at page 579:

> "We perceive no error in the comments of the learned judge upon the question whether the plaintiffs' patent described a practically useful machine."

This Court further remarked at page 574:

> "A patented machine that will not do what it is intended to do could not sustain an action against one who was shown to use a successful and operative machine."

Conflict With Other Courts.

Other courts have interpreted the statutes in harmony with this Court and in conflict with the decisions made here by the Third Circuit, by limiting the doctrine of constructive reduction to practice to exclude applications which do not comply with R. S., 4888.

In *Curtiss* v. *Janin,* 278 Fed. 454, a suit under R. S., 4915, the Circuit Court of Appeals for the Second Circuit reversed the District Court and overruled the interference decision which had been in favor of Janin, because of evidence of tests made by Curtiss showing that Janin's hydro-aeroplane, if made as described in his application filed January 26, 1911, would not rise from the water. In so doing the court held at pages 456 and 457:

"We agree with Mr. Macomber [page 785] that—

> 'The Patent Office rule that the filing of an allowable application is a constructive reduction to practice is only the expression in another form, of the thought that the application for a patent, if it sufficiently describes the invention, is conclusive evidence that the invention was made at least as early as that date.'

* * * * * *

If, therefore, that specification does not enable the man skilled in the art to construct without further exercise of the inventive faculty an operative hydro-aeroplane, there has been no reduction to practice, constructive or otherwise. Standard, etc., Co. v. Peters, etc., Co., supra. Indeed, the whole doctrine of conception as differing from reduction to practice, is excellently set forth in Christie v. Seybold, 55 Fed. 69, 76, 6 C. C. A. 33, 40, by the present Chief Justice when Circuit Judge, in saying that he who—

> 'first conceives, and in a mental sense first invents, a machine, art, or composition of matter, may date his patentable invention back to the time of its conception, if he connects the conception with its reduction to practice by reasonable diligence on his part, so that they are substantially one continuous act.'

Therefore, if it be admitted that defendant Janin had for years been conceiving hydro-aeroplanes, the question remains whether the device he disclosed on January 26, 1911, was something that would or could rise out of the water and fly; for we again agree with the District Court of Appeals in holding that—

> 'The law is well settled that where an invention is designed to perform a definite purpose, a construction embodying it must be capable, when operated, of performing that purpose.'
>
> Thus the fundamental inquiry is this: Did Janin on January 26, 1911, and by filing his specification disclose an operative hydro-aeroplane?''

This question was answered in the negative in part by evidence of ex parte tests which Curtiss had made before the controversy arose.

In *Besser* v. *Merrilat,* 243 Fed. 611, the Court of Appeals for the Eighth Circuit in a suit for patent infringement held the patent invalid for lack of utility after receiving evidence that devices constructed in accordance with the patent would not work practically in industry, saying at page 612:

> "If, however, it will not work practically in industry when constructed according to the claims and specifications, it is not useful, and cannot be sustained upon a showing that it can be made to work by a small improvement."

In *Von Recklinghausen* v. *Dempster,* 34 App. D. C. 474, the Court of Appeals for the District of Columbia quoted from *Croskey* v. *Atterbury,* 9 App. D. C. 207, defining the "allowable application", essential to constitute a constructive reduction to practice in the language of R. S., 4888.

Carlin v. *Crumpton,* 45 App. D. C. 166 (an interference decision), refused to allow Carlin's claim that his application was a constructive reduction to practice, on the ground

that a calculating machine built according to his disclosure would not invariably give the correct result, required rules not there stated to correct its errors, and even with the rules was so complex as to be impractical.

In the case of *In re Perrigo,* 48 F. (2d) 965, the Court of Customs and Patent Appeals asserted the right to look behind the assertions of the patent application and rejected the application as inoperative even though the Patent Office had produced no evidence of tests.

In the instant case the Schafmeister application as filed and as it existed when the declaration of interference was contemplated, sought to blanket the art by proposing nearly every conceivable alloying metallic element as a cure for intergranular corrosion. Of the twenty-one metals which it proposed using "either alone or mixed", only two are shown to have any value and even for these Schafmeister did not give instructions which would produce a steel immune to intergranular corrosion without inventive alteration and the expenditure of many thousand dollars for experimentation. The Patent Office failed to detect this wholesale deception, but petitioners disclosed it to the District Court by arduous tests and the testimony of a number of witnesses. These witnesses were not discredited nor their testimony refuted by any evidence on behalf of the Schafmeister application. It is respectfully submitted that the District Court plainly erred in failing to consider that evidence and the consequent proof that the Schafmeister application was not a reduction to practice.

II.

The Circuit Court of Appeals has so far departed from the accepted and usual course of judicial proceedings and sanctioned such a departure by the District Court for the District of Delaware as to call for an exercise of this Court's power of supervision; such departure being a refusal to consider uncontradicted evidence that a patent application, the effect of which is in issue, is inoperative and fails to comply with the statutory requirement that it be in "full, clear, concise and exact terms".

To avoid repetition, we refer to the foregoing Argument, Point I, to show the propriety of evidence that the Schafmeister application was inoperative and to show that where the only evidence on the subject was adverse to Schafmeister, his application should not have been accepted as a constructive reduction to practice.

The evidence adduced on the trial in the District Court by petitioners and ignored by the District Court was the only practicable means by which the fraudulent or misleading character of the Schafmeister application could be made plain. In some cases petitioners were able (as Curtiss was in *Curtiss* v. *Janin, supra*) to locate records of similar experiments of their own, conducted long before the controversy arose and before petitioners had any knowledge of the Schafmeister application. In other instances it was necessary for petitioners (like the parties in *The Telephone Cases, supra*) to make and test for the trial appropriate samples of steel. These tests were not adapted for full court-room demonstration or inter partes participation, requiring not only prolonged work in manufacture but subsequent continuous exposure of the steel for weeks to furnace temperatures between 400° and 900° C. and to boiling corrosives.

Respondent, having received notice that evidence to prove the inoperativeness of Schafmeister would be in-

troduced on the trial, could have produced tests and witnesses of its own in refutation. Under ordinary rules, its failure to produce such evidence carries an inference that the evidence would have supported petitioners. Yet with nothing produced by it, respondent has nevertheless obtained from the District Court and the Court of Appeals all the favor which could have been accorded Schafmeister if he had conclusively proved his application true in every particular. Respondent itself was less confident, for it cancelled from that application, after notice of the prospective interference in the Fall of 1933, the assertion of curative value he had previously made for nineteen out of the twenty-one elements.

The limitation which the courts below have placed on petitioners' right of proof is in conflict with the practice of this Court in *The Telephone Cases* and *Coupe* v. *Royer, supra.* It is contrary to the principle of *Butterworth* v. *Hoe*, 112 U. S. 50, 61, in which this Court held regarding an R. S., 4915 suit:

> "It is thereby provided that the applicant may have remedy by bill in equity. This means a proceeding in a court of the United States having original equity jurisdiction under the patent laws, according to the ordinary course of equity practice and procedure. It is not a technical appeal from the Patent Office, like that authorized in §4911, confined to the case as made in the record of that office, but is prepared and heard upon all competent evidence adduced and upon the whole merits. Such has been the uniform and correct practice in the Circuit Courts."

The Courts of the District of Columbia and the Courts of Appeal of the Second and Eighth Circuits, like this Court, have admitted and considered evidence within the broad purpose of the *Butterworth* case. The act of the Court of Appeals for the Third Circuit in ignoring petitioners'

evidence is a departure from this accepted and usual course of judicial proceedings within the meaning of the rule. It has the effect of largely nullifying the remedial purpose of Congress in enacting R. S., 4915, for it closes the door to new evidence upon a point which is vital to petitioner and to the public.

The two cases cited by the decision below (R. 626) as authority for ignoring petitioners' evidence are not in point. In *Carson* v. *American Smelting Co.*, 4 F. (2d) 463, 465-6 (C. C. A. 9), evidence of ex parte tests was not wholly ignored but regarded as having less weight than contradictory evidence introduced by the opposing party. In *Steinfur Patents Corporation* v. *J. Meyerson, Inc.*, 56 F. (2d) 372, 379 (D. C. E. D. N. Y.), the defendants, though introducing some evidence that plaintiff's patents were inoperative, "admitted that the patent worked on a small scale, and that admission may be sufficient to uphold the patents". The other cases cited in the *Steinfur* opinion do not support the practice of ignoring uncontradicted evidence, even if largely ex parte, where notice has been given and no evidence is offered to show the patent operative.

III.

The Circuit Court of Appeals has decided an important question of federal law which has not been, but should be settled by this Court, namely:

> **Does the filing of a patent application which confuses one useful with many inoperative alternatives act as a "constructive reduction to practice" in a suit under R. S., §4915?**

This Court does not appear ever to have passed on an R. S., 4915 suit where the effect and limitations of the doctrine of constructive reduction to practice were in issue. In *Hill* v. *Wooster*, 132 U. S. 693, this Court exercised its

right to declare both applications unpatentable for lack of invention in a suit under R. S., 4915. In 1894 this Court held in another R. S., 4915 suit, *Morgan* v. *Daniels,* 153 U. S. 120, where no question of inoperativeness was in issue, that decisions of the patent tribunals in interference would not be overruled without "testimony which in character and amount carries thorough conviction". It cannot be assumed that this Court would extend the rule to the subject of operativeness, in view of the increasing number of applications whose operation is beyond the power of the patent office to verify. In the forty-seven years since that date, no R. S., 4915 patent suit appears to have received full consideration from this Court, although two (*Victor* v. *Brunswick-Balke-Collender,* 273 U. S. 670, and *Westinghouse* v. *DeForest,* 278 U. S. 572), were affirmed per curiam upon *Morgan* v. *Daniels* and without consideration of "constructive reduction to practice".

The question raised by this point may be restated with particular reference to the present case, as follows:

(a) One files an application for patent on an improvement in a well known stainless steel. The improvement is disclosed as such steel with any one or combination of twenty-one elements added for imparting a particular new property.

(b) Later it is discovered by others, or by applicant, or by both, that of the twenty-one elements "either alone or mixed" named by applicant as full equivalents, only two are in fact operative.

(c) A contest of priority arises as to the specific improved steel containing the two operative elements only.

Query: Is the applicant who ignorantly believed or falsely stated that all twenty-one elements were equiva-

lent entitled to a date of invention for the specific improvement as of the filing of his erroneous application or as of his later discovery that two elements were operative and nineteen inoperative?

In other words, when the invention is in the wheat, is the applicant who fails to distinguish between wheat and chaff entitled to a date earlier than his conception and perception of any difference between wheat and chaff?

The question is particularly important in a suit under R. S., 4915, when a second applicant (like these petitioners) independently discovers the only useful composition, reduces it to practice, and files a clear and exact application for it while the rival application is still befogged with misleading alternatives. However, the question clearly has great importance to inventors generally and to the public, for the answer will determine whether inventors should confine their applications to verified fact or may freely include every guess supplied by their imagination or by the study of a table of elements.

The British courts have already decided the effect of combining a useful with an inoperative alternative in a patent. That situation, though far less shocking than the wholesale deception practised in the Schafmeister application, was sufficient to cause the House of Lords to hold a patent invalid in *Simpson* v. *Holliday*, L. R. 1, H. L. 315 (1866), where Lord Cranworth, in concurring, held at pages 322-323:

> "There is no doubt in this case as to the construction of the specification. It specifies two modes of obtaining the mixture which produces the dyes—one with, and the other without, the agency of heat. It was admitted, on the motion before Lord Westbury, and it was also admitted on the hearing of the appeal before your Lordships, that no practical result can be obtained without the heat. This clearly makes the

specification bad. It specifies two processes, whereas one only is practicable."

The foregoing decision of the Lords affirmed on this point the Chancery ruling in *Simpson* v. *Holliday*, 13 Wkly. Rep. 577, 578 (cited in *Matheson* v. *Campbell*, 69 Fed. 597), where the Lord Chancellor held:

"If, therefore, the true construction of the specification be, that two distinct processes are described as being both efficient, and are both claimed as part of the invention, but one is found upon trial to be inefficient and useless, it is plain that the patent has been granted on a false suggestion, and is, therefore, invalid and bad at law.

* * * * * *

When it is stated that an error in a specification which any workman of ordinary skill and experience would perceive and correct, will not vitiate a patent, it must be understood of errors which appear on the face of the specification, or the drawings it refers to; or which would be at once discovered and corrected in following out the instructions given for any process or manufacture; and the reason is, because such errors cannot possibly mislead. But the proposition is not a correct statement of the law, if applied to errors which are discoverable only by experiment and further inquiry.

* * * * * *

With respect to the rules that govern the construction of specifications, they are the ordinary rules for the interpretation of written instruments, having regard especially to the fact that the specification must clearly fulfil the obligation imposed on the patentee by the proviso contained in all letters patent, viz., that the grant shall be void if the patentee shall not par-

ticularly describe and ascertain the nature of his invention, and in what manner the same is to be performed."

The Schafmeister application deserves the criticism which Circuit Judge Lacombe applied in holding a chemical patent invalid in *Matheson* v. *Campbell* (C. C. A.), 78 Fed. 910, 915 and 923:

> "In other words, having himself experimented only with three or four bodies out of a group of hundreds, he proposes to set himself in the pathway of future experimenters with any or all of the other bodies, and, as the result of each new experiment is disclosed, will fire away at it, calculating to 'hit it if it is a deer, and miss if it is a cow'.
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> * * * * * *
>
> The evidence shows conclusively that the statement that they had discovered that 'any sulpho acid of any radical,' treated according to their process, would give the product they said it would, was untrue. Briefly stated, the 'discovery' which the inventors profess to disclose is that all mono-sulpho acids and all di-sulpho acids, treated in a prescribed way, will give a specific result; while the fact is that, so far as appears, no mono-sulpho acid thus treated will give such result; and, when they professed thus to disclose their 'discovery', they either knew that the mono-sulpho acids will not give such result, or else knew nothing about the reaction of mono-sulpho acids under such process. In either case the 'discovery' which they disclosed is not the 'discovery' they made, and it is for the discovery or invention which the patentee makes and discloses that patent issues."

If the question presented is answered as petitioners ask, a wholesome restraint will be placed on the practice which

the decisions below seem to approve of filing applications and issuing patents which are not clear and exact guides to the art but are speculative and misleading. For themselves, petitioners ask only that the same critical standards be applied to the assertions of the Schafmeister application which are applied to petitioners' own work in producing actual reductions to practice.

CONCLUSION.

It is urged therefore that the petition for writ of certiorari be granted.

Respectfully submitted,

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Dated, New York, N. Y.,
November 25, 1941.